

## **BOARD MEETING MINUTES NOVEMBER 18, 2010**

### **MEMBERS PRESENT**

DARRICK O. ROSS, CHAIRMAN  
LYLE M. BLANCHARD  
BARBARA DAVIS BLUM  
JOSEPH M. BRESS  
DIANA K. BULGER  
DEBORAH HENSLEY  
JUDITH C. MARCUS  
EDWARD C. SMITH  
GEORGE R. SUTER  
THOMAS N. TIPPETT  
MICHAEL J. WARREN

### **DCRB STAFF PRESENT**

ERIC STANCHFIELD, EXECUTIVE DIRECTOR  
ERIE SAMPSON, GENERAL COUNSEL  
SHEILA MORGAN-JOHNSON  
JOAN PASSERINO  
SUSAN SCRAPPER\*  
THOMAS ANDERSON  
DANIEL HERNANDEZ  
DONNIE BRYANT  
PETER DEWAR  
SUSAN WASHINGTON  
JASON OSTROSKI\*  
MICHAELA BURNETT  
DEBORAH REAVES  
KATIE SCHULTZ  
YOLANDA SMITH  
DENICE MCSEARS\*

### **MEMBERS NOT PRESENT**

JOSEPH W. CLARK  
LASANA MACK, EX-OFFICIO

### **OTHERS PRESENT**

BRENDA MATHIS, OCFO  
WILL GREENE, LOOP CAPITAL MARKETS

\*NOT PRESENT AT ROLL CALL

### **ROLL CALL**

Chairman Ross called the meeting to order at 1:25 p.m. Ms. Deborah Reaves called the roll.

### **APPROVAL OF MINUTES**

Mr. Warren made the following motion, which was seconded by Mr. Bress:

**Motion #1:** To approve the October 21, 2010, Open Board meeting minutes. The motion was approved by a voice vote of 10-0.

### **GENERAL COUNSEL REPORT**

Ms. Sampson reported on the following:

- Procurement Rules: DCRB procurement rules were deemed approved without City Council action, effective October 22, 2010;
- Procurement Manual: Staff is working on a procurement manual;
- Post-Retiree Healthcare Coverage: DCRB is trying to work with other District agencies, including DCHR and DCPS HR, to better inform Plan members before retirement about the changes in post-retiree healthcare coverage.

### **INVESTMENT COMMITTEE REPORT**

The Investment Committee Chair, Ms. Blum, made the following motions, which were seconded by Mr. Tippett:

**Motion #2:** To maintain the current language used to evaluate managers in the qualitative assessment component of the Watch List policy, but shorten the time frame used to evaluate the manager to the inception of a manager's portfolio. The motion was approved by a voice vote of 11-0.

**Motion #3:** To eliminate the consultant manager skill rating from the qualitative assessment component of the Watch List policy, and to recommend replacing "DCRB" with "Investment Staff, the Investment Consultant, and/or the Board." The motion was approved by a voice vote of 11-0.

**Motion #4:** To maintain the current approach of assessing manager performance relative to benchmarks and peers in the quantitative assessment component of the Watch List policy, but eliminate manager-specific alpha and tracking error targets and assess manager performance over three years or longer. The motion was approved by a voice vote of 11-0.

Ms. Blum made the following motion, which was seconded by Ms. Hensley:

**Motion #5:** To establish an ad hoc committee authorized to act on behalf of the Board to protect the Fund in times of emergency crisis between Board meetings, with subsequent Board ratification of committee action. The motion was approved by a voice vote of 11-0.

Ms. Blum made the following motion, which was seconded by Mr. Bress:

**Motion #6:** In accordance with the Rebalancing Policy, authorize the CIO, in consultation with the Investment Consultant, to rebalance certain Plan assets. The motion was approved by a voice vote of 11-0.

### **OPERATIONS COMMITTEE REPORT**

In absence of the Operations Committee Chair, Mr. Suter updated the Board on the following:

- Active Police Officer Election: The Active Police Officer Election is proceeding on schedule;
- Employee Training RFP: PRM Consulting and Cooperative Personnel Services were selected to provide employee training.

### **BENEFITS COMMITTEE REPORT**

Mr. Suter, Benefits Committee Chair, highlighted the following item:

- Systems Acquisition Project: The project team released an RFP for a consultant to oversee the acquisition and implementation phase of this project on September 27, 2010. A bidders' conference was held on October 5, and the due date for responses was October 25. The three responses that were received were reviewed and evaluated by members of the project team.

Mr. Ross made the following motion, which was seconded by Mr. Smith:

**Motion #7:** To enter into Executive Session (D.C. Code § 1-909.05(e), (f)) at 1:52 p.m. The motion was approved by a voice vote of 11-0.

Mr. Tippett made the following motion, which was seconded by Ms. Bulger:

**Motion #8:** To exit Executive Session and return to regular Open Session at 2:58 p.m. The motion was approved by voice vote 9-0.

The following motion was made by Mr. Suter and seconded by Mr. Tippet:

**Motion #9:** That, subject to due diligence and contract negotiations, a consultant be selected to oversee the Systems Acquisition Project. The motion was approved by a voice vote of 9-0.

### **LEGISLATIVE COMMITTEE REPORT**

There was no Legislative Committee report.

*No action items were recommended by the committee.*

### **EXECUTIVE DIRECTOR REPORT**

Mr. Stanchfield provided updates on the following:

- Awards: For the third year in a row, DCRB has received the Government Financial Officer Association Award for the FY 09 Comprehensive Annual Financial Report;
- D.C. Pensions Split Benefit Regulations: Proposed regulations were submitted for publication in the Federal Register for a 60-day period on Friday, November 12, 2010;
- DCRB Newsletter: The newsletter will be mailed to all members in November;
- DCRB Website: In partnership with the District's Office of Chief Technology Officer, DCRB is planning to launch a redesigned website;
- New Financial System: DCRB has prepared a draft RFP that will be reviewed by other District agencies;
- FY12 Budget: The FY12 Budget is in its final stages of reviews;
- FY10 Audit: The independent auditors, Clifton Gunderson, are currently working to complete the FY2010 financial statement audit;
- New Staff: DCRB hired Michael Williamson to join DCRB in January 2011 as the Deputy Director of Organizational Transformation and System Integration.

### **OTHER BUSINESS**

There were no other items to be brought before the Board.

### **ADJOURNMENT**

**Motion #10:** Chairman Ross moved to adjourn the meeting at 3:05 p.m. The motion was seconded by Ms. Bulger and approved by a voice vote of 9-0.

## RECORD OF OFFICIAL BOARD ACTION

MOTION #1			DATE: NOVEMBER 18, 2010		
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.	√				
CLARK, JOSEPH W.					√
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.			√		
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

MOTION #2			DATE: NOVEMBER 18, 2010		
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.	√				
CLARK, JOSEPH W.					√
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

MOTION #3	DATE: NOVEMBER 18, 2010
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<b>MEMBERS</b>	<b>AYE</b>	<b>NAY/ OPPOSE</b>	<b>NO VOTE/ ABSTAIN</b>	<b>NO VOTE/ RECUSE</b>	<b>ABSENT</b>
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.	√				
CLARK, JOSEPH W.					√
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

<b>MOTION #4</b>			DATE: NOVEMBER 18, 2010		
<b>MEMBERS</b>	<b>AYE</b>	<b>NAY/ OPPOSE</b>	<b>NO VOTE/ ABSTAIN</b>	<b>NO VOTE/ RECUSE</b>	<b>ABSENT</b>
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.	√				
CLARK, JOSEPH W.					√
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

<b>MOTION #5</b>	DATE: NOVEMBER 18, 2010
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<b>MEMBERS</b>	<b>AYE</b>	<b>NAY/ OPPOSE</b>	<b>NO VOTE/ ABSTAIN</b>	<b>NO VOTE/ RECUSE</b>	<b>ABSENT</b>
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.	√				
CLARK, JOSEPH W.					√
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

<b>MOTION #6</b>			DATE: NOVEMBER 18, 2010		
<b>MEMBERS</b>	<b>AYE</b>	<b>NAY/ OPPOSE</b>	<b>NO VOTE/ ABSTAIN</b>	<b>NO VOTE/ RECUSE</b>	<b>ABSENT</b>
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.	√				
CLARK, JOSEPH W.					√
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

<b>MOTION #7</b>	DATE: NOVEMBER 18, 2010
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<b>MEMBERS</b>	<b>AYE</b>	<b>NAY/ OPPOSE</b>	<b>NO VOTE/ ABSTAIN</b>	<b>NO VOTE/ RECUSE</b>	<b>ABSENT</b>
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.	√				
CLARK, JOSEPH W.					√
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

<b>MOTION #8</b>			DATE: NOVEMBER 18, 2010		
<b>MEMBERS</b>	<b>AYE</b>	<b>NAY/ OPPOSE</b>	<b>NO VOTE/ ABSTAIN</b>	<b>NO VOTE/ RECUSE</b>	<b>ABSENT</b>
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.					√
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.	√				
CLARK, JOSEPH W.					√
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.					√

<b>Motion #9</b>			DATE: NOVEMBER 18, 2010		

<b>MEMBERS</b>	<b>AYE</b>	<b>NAY/ OPPOSE</b>	<b>NO VOTE/ ABSTAIN</b>	<b>NO VOTE/ RECUSE</b>	<b>ABSENT</b>
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.					√
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.	√				
CLARK, JOSEPH W.					√
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.					√

<b>MOTION #10</b>			DATE: NOVEMBER 18, 2010		
<b>MEMBERS</b>	<b>AYE</b>	<b>NAY/ OPPOSE</b>	<b>NO VOTE/ ABSTAIN</b>	<b>NO VOTE/ RECUSE</b>	<b>ABSENT</b>
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.					√
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.	√				
CLARK, JOSEPH W.					√
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.					√